

1 CLEC to access that this is a fine method of access for the  
2 smaller CLECs and that the only people who have a problem  
3 with it are the much larger CLECs.

4 I am not sure that is entirely true. I think it  
5 is true for smaller CLECs only if the smaller CLECs are very  
6 geographically focused in the sense that the offer service  
7 only maybe in one state or two states or within a single  
8 ILEC's territory.

9 I think there will be in the very near future a  
10 lot of very small CLECs that are nationally focused  
11 nevertheless and address their market to maybe specific  
12 groups of people, but they are not localized groups of  
13 people. You can imagine it would be very hard for a small  
14 CLEC like this to have eight or 11 different GUIs sitting on  
15 somebody's terminal and trying to understand the differences  
16 in the ordering and pre-ordering interfaces to each one of  
17 those ILECs.

18 To move on and specifically answer your question,  
19 I think in the next six months I think what the industry  
20 will see is a continuing evolution. I think the standards  
21 are still in their infancy right now. There are the EDI  
22 based standards, the TCIF, Issue 7. They still only address  
23 a very small subset of services, which is relatively simple  
24 resold services and unbundled loops and stuff like that, but  
25 not a lot of other services like Centrex.

1           For CLECs who are trying to enter the market,  
2   there is still a great deal of need for manual intervention,  
3   so what I would expect to see in the next six months is an  
4   evolutionary process where there is a process by which these  
5   systems slowly get more automated. By automated, I mean end  
6   to end automation, automation both at the CLEC end, as well  
7   as the ILEC end.

8           It is equally important for the automation to take  
9   place within the CLEC systems as well because the overall  
10   process, as Pat pointed out, is what is really important.  
11   Manual intervention, significant manual intervention if it  
12   is needed, at the CLEC end also slows down the overall  
13   process.

14           In the next six months, I would suggest that there  
15   will be more of an industry move towards standards such as  
16   the TCIF standards and Issue 7, Issue 7.1 and so on. Beyond  
17   that, for the long term I think there are several things  
18   that we can and should expect.

19           One is I think that independent software vendors  
20   will start to play a much more significant role in providing  
21   the software both on the ILEC and the CLEC end for this kind  
22   of interconnection to take place simply because the costs of  
23   each ILEC and each CLEC developing completely custom,  
24   individualized software are too great.

25           What we will see are basically the standards being

1     used to allow IFBs to develop software that is based on the  
2     standards and allows CLECs and ILECs to connect their  
3     systems more transparently perhaps over the Internet and  
4     perhaps, you know, with greater degrees of functionality  
5     than we have today.

6             MR. WELCH: Thank you.

7             Does anybody else want to take a crack at  
8     predicting trends or innovations in the future?

9             Charlotte?

10            MS. TERKEURST: I wanted to raise an issue. It is  
11     more something that I have been wondering about, and perhaps  
12     he can answer this.

13            Even within the standards, there would still be  
14     room for proprietary applications of those standards, from  
15     things that I have heard. The standards just set out  
16     general guidelines, but not necessarily how you apply them.

17            Is work being done on trying to open up the  
18     process and making it non-proprietary so that software could  
19     actually work from one carrier to another? That is a trend  
20     that is needed, whether it is in the works or not, it seems  
21     to me.

22            MR. SWAMINATHAN: Like I said, there is an  
23     evolutionary process with respect to the standards. The  
24     standards as they are right now do leave a lot of room for  
25     interpretation, do leave a lot of areas unaddressed and are

1 still evolving perhaps to address those areas.

2 Even in the end, there will still be some services  
3 that different ILECs offer that are not entirely captured by  
4 the standards. I do not think it is practical to imagine a  
5 world where every ILEC offers exactly the same services, and  
6 I do not think that is something really that is the goal of  
7 the whole process.

8 What is really the goal is to create an  
9 environment where there is sufficient standards in place so  
10 that the differences are literally small by comparison to  
11 the similarities. Right now what we have is a situation  
12 where the differences are very big compared to the  
13 similarities so that there is essentially a need for a one  
14 on one connection between each CLEC and each ILEC. There is  
15 basically a different system in place for each CLEC and each  
16 ILEC, and this is a system that is very hard to maintain and  
17 support and very expensive.

18 MR. WELCH: Stuart?

19 MR. KUPINSKY: I think to put Pat's earlier  
20 comments in a different way, I think over the next six  
21 months we are also going to see an evolution of the debate  
22 itself.

23 To date, we have been talking a lot about the  
24 specific technology, the specific interfaces, but we see the  
25 debate starting to evolve into questions of performance

1 standards, performance measures and the results that CLECs  
2 are obtaining using these interfaces.

3 I think because of the complexities of these  
4 systems that evolution will continue, and it will be  
5 eventually a very result oriented outlook seeing whether  
6 there is parity in the results of the use of these  
7 interfaces or resale services.

8 MR. LENAHAAN: I would like to second that. I  
9 think the trend is OSS is a means to an end. The end is  
10 efficient, error free implementation of an order, and it is  
11 very effective means to accomplish that. Once the means is  
12 in place, then the focus should rightfully shift to  
13 measuring the overall performance of the overall process of  
14 either ordering and provisioning service or repairing  
15 service or obtaining a customer service record.

16 I see two key elements. One is standardizing the  
17 interface for OSS so that the means is easily accomplished,  
18 and then in the process hopefully of contract negotiations a  
19 more commercial means of establishing the level of service,  
20 agreed upon performance measures and agreed upon performance  
21 reporting procedures.

22 MR. WELCH: That is actually a nice segue into our  
23 next question, which Kalpak will ask.

24 MR. GUDE: This is directed towards John and  
25 Elizabeth initially, and I would definitely like to have the

1 CLEC representatives comment on this as well.

2           What measuring system or reporting mechanisms have  
3 you implemented to insure that you are providing ordering  
4 and provisioning on a nondiscriminatory basis, as well as  
5 providing CLECs with a reasonable opportunity to compete?  
6 Do you measure or report on the availability of access used  
7 by your retail operations?

8           MS. HAM: I will go first, if that is okay.

9           We do report on the parity issue, the overall  
10 system access on our proprietary systems. We will provide  
11 that. It is the same system. If we have a slow response  
12 time or if we have a system down, right now it affects us  
13 more than it affects anybody.

14           We will provide the overall availability of our  
15 systems. We also will provide a parity measurement on speed  
16 of answer into our LSP/SC, which is our pre-ordering and  
17 ordering center, our service center, that supports the CLEC  
18 in a manual mode, as compared to our retail operations'  
19 speed of answer.

20           We do provide I guess what affects the end user  
21 the most, and ultimately that is was the service delivered  
22 when we promised it would be delivered or when the CLEC  
23 promised it would be delivered, and was it right.

24           On any of the resale measurements that we collect,  
25 if they are provided internally or if they are provided to a

1 PC, then we will provide a parity measurement to a CLEC who  
2 is doing resale business with us.

3 If we do not have that measurement in place and we  
4 are asked to develop it through negotiations, and that is  
5 how we believe it should be done is through negotiations,  
6 then we will look at what are reasonable performance  
7 measurements, and we will negotiate providing those with a  
8 willingness to pay on whomever is asking.

9 MR. GUDE: Just one follow up. Do you also  
10 provide a comparison between and amongst CLECs?

11 MS. HAM: Yes, we do for unbundled network  
12 elements. That we do not provide ourselves, but we will  
13 provide that measurement.

14 MR. LENAHAN: Ameritech basically provides the  
15 same type of let's call them bottom line results -- percent  
16 of firmware commitments provided within the contracted  
17 period of time, percent of due dates met within the contract  
18 period of time.

19 More important, though, our EDI system, our pipe,  
20 if you will, measures all kinds of things like number of  
21 orders processed, number of orders processed electronically  
22 without any human intervention, number of orders that  
23 required human intervention, percent of availability of the  
24 system itself.

25 What we have instituted recently is we have a

1 daily internal review of all of the electronic orders, and a  
2 team was put together to examine what percentage of orders  
3 were rejected, what were the reasons for the rejects, and  
4 can we communicate back to the CLECs so that they can better  
5 understand either the EDI rules or the business rules that  
6 Wayne mentioned, and then with respect to the percentage of  
7 orders that required manual intervention why did we have to  
8 perform manual intervention and this same thing.

9 It is clear to us, and I think most people on the  
10 panel would agree, that the more electronic flowthrough, the  
11 better. It is a learning process. It is complicated, and  
12 we are starting now to review actual results and share the  
13 results with the carriers that are using the interfaces.

14 I would see that as a short term measurement  
15 activity. The long term should be basically confined to the  
16 due dates met and the intervals and those types of things  
17 the customer cares about.

18 MR. WELCH: Does anyone else want to add anything  
19 to that?

20 Wayne?

21 MR. FONTEIX: We are in amazing agreement about  
22 the need for the performance measures and parity. Where we  
23 will continue the debate, as Stuart indicated, is how that  
24 gets measured and what those measures are.

25 Today it is pretty obvious that the incumbents do



1 not have an incentive to be forthcoming with the data on  
2 their own self-provisioning, especially to the extent that  
3 it would show some lack of parity. There needs to be a  
4 contract, as was discussed yesterday by several panelists.  
5 There is not the incentive to provide as on a commercial  
6 basis all that competitors need to determine parity, an  
7 incentive, in fact, for a period of time to keep that from  
8 seeing the light of day.

9           The second issue that has to be debated here and  
10 resolved here is how it does get measured. Displaying the  
11 information? Providing it? In fact, some RBOCs have  
12 suggested that it needs to remain confidential. I am not  
13 sure what the regulators think, but that clearly is not  
14 going to work.

15           How it is provided, what the measure is, if the  
16 performance measure is orders completed within six days and  
17 it is 95 percent for the incumbent and 95 percent for the  
18 CLEC, that maybe sounds like parity, but you need to  
19 understand is in fact the average order completion rate for  
20 the incumbent two days and the average order completion rate  
21 for the CLEC five days? They are both within six days, but  
22 it is not parity. We are going to have to get to the issues  
23 of hard data measurements.

24           MR. WELCH: You mentioned that this is not going  
25 to be resolved through commercial negotiations. What, in

1 your view, is it going to take to make that happen?

2 MR. FONTEIX: I believe that is why we are here  
3 today to urge some action to establish those requirements.

4 MS. HAM: Could I respond to that?

5 MR. WELCH: Sure.

6 MS. HAM: Our commitment at Southwestern Bell is  
7 to provide the same quality of service to the CLECs that we  
8 have provided to our community for years. To meet those  
9 parity requirements, we take it very seriously. I am  
10 charged in my company for insuring parity and insuring  
11 compliance.

12 If there is the issue that Wayne has indicated,  
13 then we will investigate it. We will look at it down to a  
14 wire center level. We will look at it even beyond that if  
15 it is required.

16 I still think, and it is my belief, that those  
17 types of things are negotiated one on one that we will  
18 provide to any regulatory body. We have expressed our  
19 desire to work with the regulatory bodies to develop  
20 meaningful performance measurements, and that is the way it  
21 should be done.

22 MR. WELCH: Charlotte, and then Stuart.

23 MS. TERKEURST: Just a couple of points. I tend  
24 to agree with some of the things that Wayne said about  
25 unfortunately this is not something that is open to

1 particularly arbitration by state Commissions on a case by  
2 case basis.

3           We have been encouraged when companies have come  
4 in and had some performance measures negotiated in their  
5 agreement, but when there has been disagreement that the  
6 parties have brought to the Commission for arbitration the  
7 Commission has been very reluctant to impose standards  
8 within an individual contract because there are obviously  
9 inefficiencies if there is one set of reporting requirements  
10 between Ameritech and AT&T and another set of reporting  
11 requirements between Ameritech and MCI. To the extent  
12 regulators need to get involved, it does need to be done on  
13 a broader basis than individual agreements.

14           Wayne also raised a number of the problems with  
15 some of the current measurements that are coming before us.  
16 Unfortunately, so far Illinois has been looking at whether  
17 the measurements that are being reported are adequate. We  
18 have not really delved into what they should be.

19           Obviously we need to look very carefully at  
20 whether they are measured when they are supposed to be  
21 measured, whether they are accurately reporting on parity or  
22 whether some of the details are getting buzzed over in the  
23 measurements that are coming in.

24           MR. WELCH: Just to follow up on that, Charlotte,  
25 you may not be aware of this, but do you have any sense for

1     what states in general may have been doing in this area? Do  
2     you know if other states have been looking at or developing  
3     performance or reporting requirements?

4             MS. TERKEURST: I know some work has been done in  
5     that area. Whether they have actually gotten to the point  
6     of Commissions issuing Orders, I do not know.

7             Wayne might know more about that since he operates  
8     in a multi-state area.

9             MR. FONTEIX: Charlotte's experience in Illinois  
10    is pretty typical of the state experience. Where we were  
11    unable to reach agreement through the negotiation process on  
12    some performance standard measurements, we took it to  
13    arbitration. Typically the state Commission deferred for  
14    the very reasons Charlotte brought up.

15            In several cases we did reach some initial closure  
16    on some performance measures that unfortunately were not  
17    detailed enough to preclude the types of confused issues I  
18    referenced earlier. We continue to go back and try to  
19    further negotiate those details so we can come to a  
20    meaningful measurement.

21            We have not had, with the exception of one or two  
22    states, any decisions imposed through the arbitration  
23    process. Where that has happened, it has typically been a  
24    baseball type arbitration.

25            MS. HAM: Baseball?

1 MR. FONTEIX: There you go. It has been awhile  
2 since we have had an analogy to baseball.

3 MS. HAM: Two of those states were within our five  
4 state region, and they were arbitrated. The two Commissions  
5 that ruled ruled that the quality of service measurements  
6 that we currently provide at least now are sufficient, but  
7 that does not, as we have said all along, close the door to  
8 future negotiations.

9 MR. WELCH: Stuart?

10 MR. KUPINSKY: I think it is important to point  
11 out where we are in the baseball game again. I think as  
12 more and more challenges to parity or a meaningful  
13 opportunity or the manner in which resale services and  
14 unbundled elements are provided come down the pipe, it is  
15 inevitable that a more comprehensive set of performance  
16 measures are going to have to be established.

17 This is the only way of determining these parity  
18 issues. It is I think just a matter of time and not whether  
19 or not we will ever have these.

20 MR. WELCH: Pat?

21 MR. SOCCI: Wayne made a good point. We cannot  
22 just look at comparisons of the ILEC and CLEC intervals.  
23 That is not sufficient. I think we need to also look at the  
24 resale unit of the ILEC versus the main body of the ILEC as  
25 it serves its own customers.

1           Also, remember that we are always talking about  
2 competition. There is a customer involved in competition,  
3 so I think we need to look at what our internal measurement  
4 is, customer concurred due date. What date does the  
5 customer want it? What date did the customer actually get  
6 it?

7           That is the ultimate test, and I think that is the  
8 date we need to look at as to how the CLEC provides the  
9 service and the ILEC, not just intervals. How many times  
10 did we hit the target for the customer because the customer  
11 is part of the competition formula.

12           MR. WELCH: On a somewhat related note, Pat, if I  
13 could follow up, when a competing carrier is taking elements  
14 from the incumbent, and, of course, obviously the incumbent  
15 does not provide elements to itself so you have a breakdown  
16 in this measurement of parity, what should be the proper  
17 basis of comparison for performance in that type of  
18 situation? Do you have any thoughts on that?

19           MR. SOCCI: We are talking about ordering.  
20 Certainly, you know, when are the firm order commitments  
21 made? When are the products received? When are the  
22 circuits tested? Is there capacity available? If capacity  
23 is available, is it made available to the CLECs the same way  
24 it is made available to the ILEC for internal purposes?

25           Those I think are the important things. We could

1 talk about maintenance and repair, but that is for other  
2 discussions later today. It is the availability of those  
3 services for the CLEC as measured against its availability  
4 for the ILEC itself.

5 MR. WELCH: John?

6 MR. LENAHAAN: In our case, in those situations  
7 where there is not a comparable to the retail side of the  
8 basis, for example, unbundled loops, each of our  
9 interconnection agreements has a specific performance  
10 interval; five days if it is more than ten loops, ten days  
11 if it is ten to 20 loops.

12 Those vary depending on the CLEC, and typically  
13 there are liquidated damage provisions if that interval,  
14 that specific interval, is not met.

15 In those cases where there is no retail  
16 comparable, I think it is important that the interconnection  
17 agreement define the expected performance target.

18 MS. HAM: We are in the same situation with  
19 liquidated damages.

20 MR. FONTEIX: I would like to just offer one other  
21 relevant comparison, and that is in the case of purchase of  
22 a combined loop and unbundled switch where there is no  
23 actual physical work involved in cross connecting or pulling  
24 apart elements that are already in combination. Clearly it  
25 is not a physical change. It is a software change, and I

1 believe there are relevant comparisons within the existing  
2 retail operations.

3 MR. WELCH: Well, one of the great things about  
4 baseball is that there is no clock. It is just whoever has  
5 the most runs at the end of the game. Unfortunately, we  
6 have a clock.

7 The time on this panel has gone by very fast  
8 because I think it was terrific. We got a lot of  
9 interesting discussion back and forth. I would like to  
10 thank our panelists, Venkates Swaminathan, Pat Socci, Wayne  
11 Fonteix, Elizabeth Ham, John Lenahan, Charlotte TerKeurst  
12 and Stuart Kupinsky. Thank you very much.

13 (Applause.)

14 MR. WELCH: We will take a 15 minute break and  
15 start back up promptly at 11:45 a.m.

16 (Whereupon, a short recess was taken.)

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1           MR. WELCH: Let's go ahead and get started with  
2 our second panel today, which will focus on issues involving  
3 billing. We have four panelists here. Going from right to  
4 left, we have Beth Lawson from Southwestern Bell. Beth is  
5 area manager of finance operations. Sitting next to Beth is  
6 Mary Berube from Southern New England Telephone Company.  
7 She is senior project manager and network marketing and  
8 sales.

9           Next to Mary is Robert Falcone with AT&T. He is  
10 district manager of new market development, and finally, on  
11 the far left, we have Dennis Perkins. Dennis is with Brooks  
12 Fiber. He is vice president and corporate controller.

13           So, this panel will focus in on billing issues and  
14 we will proceed as we have before, with brief opening  
15 statements from the four panelists, so why don't we start  
16 with Beth, if we could, please?

17                           PANEL II

18           MS. LAWSON: Good morning, I'm Beth Lawson from  
19 Southwestern Bell Telephone. Billing involves the exchange  
20 of information necessary for CLECs to bill their end users  
21 and also to process their end users claims and adjustments,  
22 and also to view Southwestern Bell's bills for services  
23 provided to the CLECs. Southwestern Bell provides multiple  
24 electronic options to receive billing data. We offer a  
25 product called Bill Plus, and this is essentially a paper

1 bill, has all the information that will be contained on the  
2 paper bill, and you can receive it via three different  
3 mechanisms.

4           You can get a PC diskette, or you can have it  
5 downloaded to your computer system via modem, or we're  
6 getting ready to offer a new option in June of '97, which  
7 would be via a CD-ROM. This will include auxiliary  
8 information also included on there.

9           With this Bill Plus, the CLECs can search for  
10 information on their bill, they can generate, standardize or  
11 customize reports using any data that appears on the bill,  
12 and they also can print any portion of the bill. Currently,  
13 we have over 650 retail business customers receiving their  
14 bills via bill plus, and this equates to over 25,000  
15 accounts.

16           We also offer a EDI 811 864. This is an industry  
17 standard ANSI XR12 electronic interphase. This enables the  
18 CLECs to receive data in an electronic format, from  
19 Southwestern Bell's CRIS database with the same information  
20 that would appear on their monthly resale bill. This also  
21 enables the CLECs to manipulate billing data without  
22 rekeying the data. It also generates reports involving the  
23 billing data, and also allows you to track your intraLATA  
24 calls and export data to the CLECs internal computer  
25 systems.

1               Currently, we have 35 retail business customers  
2     receiving their bills, and this equates to over 30,000  
3     accounts.

4               We also offer a Bill Data Tape, BDT. This is  
5     available today to CLECs to receive data in electronic  
6     format from Southwestern Bell's CABS database with the same  
7     information that would appear on their paper bill for their  
8     unbundled network elements.

9               We also offer Customer Network Administration,  
10    CNA. This is available today for on line access to obtain  
11    the same billing information for both resale and unbundled  
12    network elements that would appear on the CLECs paper bills.

13              We also have introduced the usage extract feed.  
14    This provides the CLECs with daily information on usage that  
15    will be subsequently billed on their monthly bill, in the  
16    industry standard EMR format. This was implemented in  
17    December, 1996. We've sent several test files successfully  
18    to CLECs and we have two CLECs that are currently live  
19    receiving the usage extract feeds today. CLECs will have to  
20    complete the coding, though, to receive this usage data into  
21    their billing system, so that they can, in turn, rate and  
22    bill their end user customers.

23              Southwestern Bell meets the requirements of the  
24    1996 Act and complies with the FCC's order in terms of  
25    providing CLECs with at least minimum equivalent electronic

1 access to billing data that provides the same information  
2 that we provide to ourselves, our customers and carriers.  
3 Thank you.

4 MS. BERUBE: Good morning. There are four major  
5 points I'd like to highlight regarding access to billing  
6 information. First, non-discriminatory access to  
7 information, rather than to systems, will best meet select  
8 needs.

9 Second, a single standard for billing format and  
10 media will not meet today's requirements and capabilities of  
11 all CLECs and ILECs.

12 Third, if a CLEC requested billing functionality  
13 exceeds that which the ILEC provides for itself or its end  
14 users, CLECs should assume costs of development and  
15 implementation of that functionality.

16 Finally, the quality, accuracy and timeliness of  
17 end user billing is the responsibility of the CLEC.

18 On the first point, non-discriminatory access to  
19 information rather than to the systems which store the  
20 information, will best meet CLEC needs. Over time, ILECs  
21 have developed large and complex systems to meet our  
22 customer and internal requirements. These systems collect,  
23 process, store, merge and distribute data to and from  
24 various other systems and process millions of transactions  
25 daily.

1           It would be untimely, burdensome and expensive for  
2 even the largest and most sophisticated of carriers to  
3 directly access these billing systems, and for the smallest  
4 carriers, it would be impossible. It is the data within  
5 these systems that is critical to the CLECs, rather than  
6 direct access to the systems themselves.

7           Basically, the major categories of data or  
8 information that the CLEC needs from the ILEC billing  
9 systems are billing detail for the services that the CLEC  
10 purchases from the ILEC, and, in a reseller environment, end  
11 user usage detail such as toll detail.

12           Related to my second point, and, I think, a common  
13 theme in the discussions during the last few days, is that a  
14 single standard for the exchange of billing information will  
15 not meet the requirements and capabilities of all CLECs and  
16 ILECs. For example, only the largest CLECs operating in  
17 Connecticut can presently accommodate electronic  
18 transmission of billing information. The smaller CLECs  
19 continue to rely on traditional monthly paper bills.

20           To mandate only an electronic standard  
21 discriminates against those CLECs who cannot at this time  
22 cost-justify or implement electronic capabilities.

23           As another example, many CLECs today in  
24 Connecticut cannot support and have not requested daily  
25 usage feeds. While daily usage feeds may provide more

1     timely data, some CLECs do not have the capability to accept  
2     and process this information. Out of the 19 certified CLECs  
3     in our territory, only two are currently using daily usage  
4     feeds. One was implemented approximately a year ago, and  
5     the other since the beginning of this year.

6             Until the others have more fully defined the level  
7     of billing services they choose to provide their end users,  
8     this duality will continue to exist.

9             To the third point, to meet the billing  
10    information needs of CLECs, an ILEC may be required to  
11    support new capabilities and functionalities which exceed  
12    what is currently available and provide it to itself and its  
13    end users. Costs will be incurred to meet these additional  
14    requirements. Consequently, CLECs must assume the costs to  
15    develop and implement these capabilities. This is also  
16    consistent with the FCC's definition of Unbundled Network  
17    Elements to include access to the OSS functions.

18            Finally, the CLEC is responsible for the quality  
19    and accuracy of its end user billing. Since the CLEC has  
20    direct access to its customer information, with the possible  
21    exception of usage data, including the services which it  
22    orders for and provides to its end users, the CLEC has the  
23    best source of data for end user billing. The relationship  
24    for end user services exists between the CLEC and the  
25    customer, not between the customer and the ILEC.

1           Thus, the CLECs should be accountable for the  
2 reconciliation of services provided to end users and not  
3 need to rely on the ILEC bill for that purpose.

4           In closing and as discussed yesterday by the OBF  
5 representatives, much progress has been made and is being  
6 made in the industry to meet the billing needs and  
7 challenges of this new environment. As new competitive  
8 carriers gain experience providing local service, new  
9 billing requirements will be identified and appropriate cost  
10 recovery mechanisms will need to be established.

11           In Connecticut, SNET and the CLECs are working  
12 hard to define and implement with state regulatory  
13 commission oversight, the best approaches to provide non-  
14 discriminatory access to billing functionality. This work  
15 is an ongoing process, which should and will evolve as  
16 market forces dictate. Thank you.

17           MR. WELCH: Thank you, Mary. Next we'll hear from  
18 Robert Falcone of AT&T. Robert?

19           MR. FALCONE: Thank you, Richard. Billing is the  
20 most common and often the only way that local companies have  
21 to interface with their end users. End users today are  
22 accustomed to getting accurate bills from their incumbent  
23 local telephone company and simply will not tolerate  
24 inaccurate bills from CLECs. Therefore, it is absolutely  
25 critical that the incumbent billing operation support

1 systems support timely and accurate data to the new entrant  
2 for both resale services and unbundled elements, to allow  
3 the new entrant to bill their end users, IXCs for access and  
4 other local companies for reciprocal compensation.

5 When a new entrant buys resale services, they need  
6 billing information from the incumbents' operational support  
7 systems, provided in electronic format, and meets three  
8 basic requirements. First, incumbents billing data must  
9 provide an accurate and complete record of the usage for the  
10 new, for the CLECs end users, both for their dialed usage  
11 and for any usage sensitive features that that CLEC customer  
12 may employ.

13 Second, the incumbent must provide the usage data  
14 on a timely basis, based on agreed upon intervals, and  
15 third, the bill to the CLEC from the incumbent for the  
16 resale service, the discounted resale service, must be  
17 provided timely and accurately, both for the discounted  
18 service and for any appropriate non-recurring charges.

19 When a new entrant is buying unbundled elements  
20 from the incumbent LEC, they also need accurate and timely  
21 information, as I mentioned above, with resold services.  
22 However, billing for unbundled elements provides new  
23 challenges for the incumbent LEC in their operation support  
24 systems. Not only do they have to provide all the data that  
25 was mentioned above, but they have to develop their



1 operational support systems to allow them to bill for the  
2 unbundled elements that the CLEC is purchasing. This is  
3 particularly critical with elements such as the switch,  
4 which has both a flat rated component and a usage space  
5 component.

6           These billing issues are further magnified,  
7 because a new entrant who buys unbundled switching not only  
8 needs the billing information I mentioned above from, with  
9 respect to resale, but they also need data to allow them to  
10 bill originating and terminating access to IXCs and the  
11 reciprocal compensation to the other LECs operating in the  
12 area.

13           Although incumbents do not currently measure  
14 terminating access on a line by line basis, the data  
15 necessary to provide this information to CLECs is recorded  
16 in the switch and available. However, the incumbents'  
17 billing systems must be enhanced to allow them to cull out  
18 that information on a line by line basis, to provide the  
19 CLEC who is using an unbundled switch accurate access  
20 information, so that the CLEC can bill the IXCs the access  
21 that they're entitled to.

22           In order not to preclude CLECs from purchasing  
23 unbundled switches until these billing enhancements come  
24 along, the CLECs must do two things to move the ball forward  
25 and allow us to buy unbundled switching and the platform,